

HOUSE BILL 515

By Matheny

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 5; Title 6 and Title 7, relative to financial  
statements of local governments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-3-304 , is amended by adding the  
following language as a new subdivision (10):

(10)

(A) Every entity of local government required to be audited pursuant to  
subdivision (4) or (9) shall provide to the comptroller an annual financial  
statement by October 1 for the previous fiscal year. Such financial statement  
shall include, as a minimum, all assets and liabilities. When detailing the entity's  
liabilities, information and estimated expenditures shall be included for any  
potential liabilities, including but not limited to, known court actions against the  
entity or other scheduled expenditures. In addition, with regard to real and  
personal property, the entity shall provide estimated expenditures for all deferred  
maintenance as well as a summary of future major maintenance requirements  
which must be met within the five (5) years immediately following the current  
fiscal year.

(B) As used in subdivision 10(A), "deferred maintenance" includes  
maintenance that should have been completed in the fiscal year for which the  
financial statement is filed but was deferred for any reason. The reason for  
deferral shall be listed.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring  
it.